District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Form C-144 July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.

For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

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Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application of action: Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method

| Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
| Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
| Modification to an existing permit
| Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

Operator: WPX Energy Production LLC OGR	ID #· 120782	
Address: PO Box 604 /721 S Main Aztec, NM 8		
Facility or well name: Chaco 2206-02H #225H		
API Number:30-043-21149 OCD Permit Number:		
U/L or Qtr/Qtr H Section 2 Township 22N Range 6W		
Center of Proposed Design: Latitude 36.16973N Longitude -10		
Surface Owner: ☐ Federal ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment		
2. ☑ Pit: Subsection F or G of 19.15.17.11 NMAC	RCVD JUL 24 '13	
Temporary: ⊠ Drilling □ Workover	OIL CONS. DIV.	
Permanent Emergency Cavitation P&A	DIST. 3	
☐ Lined ☐ Unlined Liner type: Thickness <u>20</u> mil ☐ LLDPE ☐ HDPE ☐ PVC		
⊠ String-Reinforced		
Liner Seams: ⊠ Welded ⊠ Factory ☐ Other Volume: 9.000 bbl □	Dimensions: L <u>50'</u> x W 7 <u>0'</u> x D <u>15'</u>	
3. Closed-loop System: Subsection H of 19.15.17.11 NMAC		
Type of Operation: P&A Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)		
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other		
☐ Lined ☐ Unlined Liner type: Thicknessmil ☐ LLDPE ☐ HDPE ☐ PV	VC	
Liner Seams:		
4. Subsection I of 19.15.17.11 NMAC		
Volume:bbl Type of fluid:		
Tank Construction material:	,	
Tank Construction material: Secondary containment with leak detection Visible sidewalls, liner, 6-inch lift and autom	atic overflow shut-off	
-		

Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration	of approval.
Fencing: Subsection D of 19.15.17.11 NMAC (Applies to permanent pits, temporary pits, and below-grade tanks) Chain link, six feet in height, two strands of barbed wire at top (Required if located within 1000 feet of a permanent residence, school, he institution or church) Four foot height, four strands of barbed wire evenly spaced between one and four feet Alternate. Please specify As per BLM specifications	ospital,
Netting: Subsection E of 19.15.17.11 NMAC (Applies to permanent pits and permanent open top tanks) Screen Netting Other Monthly inspections (If netting or screening is not physically feasible)	
Signs: Subsection C of 19.15.17.11 NMAC ☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers ☐ Signed in compliance with 19.15.3.103 NMAC	
Administrative Approvals and Exceptions: Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance. Please check a box if one or more of the following is requested, if not leave blank: Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau of consideration of approval. Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.	fice for
Siting Criteria (regarding permitting): 19.15.17.10 NMAC Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptor material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. Siting criteria does not apply to drying pads or above associated with a closed-loop system.	riate district office Applicant must
Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ⊠ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to temporary, emergency, or cavitation pits and below-grade tanks) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. (Applies to permanent pits) - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☐ No ☑ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☒ No
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ☑ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☑ No
 Within an unstable area. Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map 	☐ Yes ☑ No

Within a 100-year floodplain FEMA map	☐ Yes ☑ No
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NM Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docu attached.	
Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19.15.17.9 N Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15 and 19.15.17.13 NMAC	5.17.9 NMAC
Previously Approved Design (attach copy of design) API Number: or Permit Number:	
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docu attached. Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15. Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.1 and 19.15.17.13 NMAC	17.9
 □ Previously Approved Design (attach copy of design) □ Previously Approved Operating and Maintenance Plan □ API Number:	41
above ground steel tanks or haul-off bins and propose to implement waste removal for closure)	n mai use
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the docu. attached. Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Climatological Factors Assessment Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17.11 NMAC Quality Control/Quality Assurance Construction and Installation Plan Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC Nuisance or Hazardous Odors, including H ₂ S, Prevention Plan Oil Field Waste Stream Characterization Monitoring and Inspection Plan Closure Plan - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC	ments are
Proposed Closure: 19.15.17.13 NMAC Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan. Type: Drilling Workover Emergency Cavitation P&A Permanent Pit Below-grade Tank Closed-loop System Alternative Proposed Closure Method: Waste Excavation and Removal Waste Removal (Closed-loop systems only) Waste Removal (Closed-loop systems only) On-site Closure Method (Only for temporary pits and closed-loop systems) In-place Burial On-site Trench Burial	
Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consider. Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attacked. Closure plan. Please indicate, by a check mark in the box, that the documents are attached. Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)	·

□ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC □ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC □ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC			
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC) Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.			
Disposal Facility Name: Disposal Facility Permit Number:			
Disposal Facility Name: Disposal Facility Permit Number:			
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that <i>will not</i> be used for future service. If yes, please provide the information below) No	ce and operations?		
Required for impacted areas which will not be used for future service and operations: Soil Backfill and Cover Design Specifications based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC			
Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.			
Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA		
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA		
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	⊠ Yes □ No □ NA		
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☑ No		
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; Aerial photo; Satellite image	☐ Yes ☑ No		
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☑ No		
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☑ No		
 Within 500 feet of a wetland. US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site 	☐ Yes ⊠ No		
Within the area overlying a subsurface mine Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☑ No		
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☑ No		
Within a 100-year floodplain FEMA map	☐ Yes ☑ No		
On-Site Closure Plan Checklist: (19.15.17.13 NMAC) Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached. Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17.11 NMAC Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.13 NMAC Protocols and Procedures - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved) Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC			

 ⊠ Re-vegetation Plan - based upon the appropriate requirements of Subsection Site Reclamation Plan - based upon the appropriate requirements of Subsection 		
Operator Application Certification: I hereby certify that the information submitted with this application is true, acceptable.	urate and complete to the best of my knowledge and belief.	
Name (Print): Ben Mitchell	Title: Regulatory Specialist	
Signature: Rust	Date: 7/22/2013	
e-mail address: ben.mitchell@wpxenergy.com	Telephone: 505-333-1806	
20. OCD Approval: Permit Application (including closure plan)	Plan (only) OCD Conditions (see attachment)	
OCD Approval: Permit Application (including closure plan) L. Closure OCD Representative Signature: Title:	Approval Date: 7/30/2013	
Title: Compigne Office	OCD Permit Number:	
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17.13 NMAC Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.		
	Closure Completion Date:	
22. Closure Method: Waste Excavation and Removal On-Site Closure Method Alternoon If different from approved plan, please explain.	native Closure Method Waste Removal (Closed-loop systems only)	
Closure Report Regarding Waste Removal Closure For Closed-loop System Instructions: Please indentify the facility or facilities for where the liquids, dr two facilities were utilized.		
Disposal Facility Name:		
Disposal Facility Name:		
Were the closed-loop system operations and associated activities performed on G Yes (If yes, please demonstrate compliance to the items below) No	or in areas that will not be used for future service and operations?	
Required for impacted areas which will not be used for future service and operations: Site Reclamation (Photo Documentation) Boil Backfilling and Cover Installation		
Re-vegetation Application Rates and Seeding Technique		
Closure Report Attachment Checklist: Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached. Proof of Closure Notice (surface owner and division) Proof of Deed Notice (required for on-site closure) Plot Plan (for on-site closures and temporary pits) Confirmation Sampling Analytical Results (if applicable) Waste Material Sampling Analytical Results (required for on-site closure) Disposal Facility Name and Permit Number Soil Backfilling and Cover Installation Re-vegetation Application Rates and Seeding Technique Site Reclamation (Photo Documentation) On-site Closure Location: Latitude Longitude NAD:1927 1983		
25. Operator Closure Certification:		
I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.		
Name (Print):	Title:	
Signature:	Date:	
e-mail address:	Telephone:	

WPX EnergyProduction Co., LLC San Juan Basin: New Mexico Assets

Temporary Pit
Drilling/Completion and Workover

Type of action & rational

•	Drilling Pit to Completion/Workover Pit WPX proposes to utilize the same pit built to drill the well for the subsequent workover/completion activities noted in the well APD and necessary to bring the subject well into optimum production. Utilization of the same pit will minimize environmental impacts and waste of resources (i.e. waste of fuel and associated greenhouse emissions, surface disturbance).
•	Workover Rig to be mobilized within six months of Drilling Rig demobilized.
□ iranstei	Drilling Pit fromtoto
•	As required by the Surface Owner and/or Surface Managing Agency (e.g. BLM, USFS, Tribal), WPX is being required to utilize the same well pad for multiple new wells. In these cases, WPX proposes to utilize the same pit for all the new wells to be drilled. Utilization of the same pit will minimize environmental impacts and waste of resources (i.e. waste of fuel and associated greenhouse emissions, surface disturbance). WPX has permitted the common pit for each well, and requests permission to transfer the pit since the first well has been drilled and completed. Pit to be considered closed for first well named. Drill Rig to be rig-up within six months of former rig demobilized.
□ Extension •	on for three months to meet closure/cover requirements in Rule 19.15.17.13.A(6) As required by the Surface Owner and/or Surface Managing Agency (e.g. BLM, USFS, Tribal), WPX cannot conduct construction or similar activities during Seasonal Closures and therefore cannot meet the closure requirements specified in the referenced rule. Closure will be scheduled and initiated as soon as the Seasonal Closure is lifted.

Transfer Plan

In accordance with Rule 19.15.17 NMAC, this Modification/Transfer (M/T) Plan describes the modifications to the Design and Construction (D&C), Operations and Maintenance (O&M) and Closure Plans for the transfer of a previously permitted Temporary Pit on a WPX Production, LLC location in the San Juan Basin of New Mexico.

This M/T plan will be followed in that case

D&C Plan:

No proposed changes. WPX will comply with the original Design Plan. This
will include ensuring that the original design of the pit is large enough to
accommodate all of the fluids and solids.

O&M Plan:

- The pit is to be considered out-of-service for the purpose of drilling the referenced well.
- The pit status will be considered in-service during this transition to and during the scheduled workover/completion activities.
- Pit inspections during the period between drill-rigdown and workover/completion-rigup will be weekly.
- The fluid will be removed within 30 days after the completion of each process.
- WPX will conduct an inspection and take photo documentation no more than seven days prior to the pit being placed back into use.
- WPX will notify NMOCD district office 7-14 days prior to start of each process.
- If any mud and solids require removal to ensure the two-foot freeboard is maintained, it will be removed by use of a Supersucker® (or similar equipment that will not damage the liner) and disposed of offsite at Envirotech (Permit Number NM-01-0011).
- WPX will sample the contents of the pit after each process is completed for Benzene, BTEX, and TPH (only required for a pit used for multiple wells).
- No other modifications or changes to the operation and maintenance of the pit will take place.

Closure Plan:

- Due to the use of the pit for multiple processes the confirmation sampling will occur only after the contents have been stabilized to ensure a representative sample (only required for a pit used for multiple wells).
- WPX will submit the photo documentation and testing stated above with the C-144 closure.
- All APD #s and well names will be placed on the C-144 form when the closure form is filed.
- No additional proposed changes except as noted above, WPX will comply with the rest of the original Closure Plan.

WPX realizes this does not relieve them of any of the requirements of 19.15.17 NMAC.